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Perfect Medical Industry Company Limited

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Company Address：No. 100, Xingong 1st Rd., Beidou Township, Changhua County
Company Tel：(04)888-7998

Independent CPA's Report

To the Board of Directors and Shareholders of Perfect Medical Industry Co., Ltd.:

Audit opinions

We have audited the entity balance sheets of Perfect Medical Industry Co., Ltd. as of December 31, 2025, and December 31, 2024, along with the entity statements of comprehensive income, changes in equity, and cash flows for the period from January 1 to December 31, 2025 and 2024, and the accompanying notes to the entity financial statements (including a summary of significant accounting policies).

In our opinion, the above entity financial statements, in all material respects, have been prepared in accordance with the financial reporting standards for securities issuers. They fairly present the entity financial position of Perfect Medical Industry Co., Ltd. as of December 31, 2025 and 2024, as well as their entity financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

Basis of Audit opinions

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under these standards will be further explained in the section on the responsibilities of the CPA in auditing the entity financial statements. The personnel of the firm to which we belong have maintained independence from Perfect Medical Industry Co., Ltd. in accordance with the independence regulations and have fulfilled other responsibilities as required by the professional ethical standards for CPAs. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in our professional judgment, were of the most significance in our audit of the entity financial statements of Perfect Medical Industry Co., Ltd. for the year ended December 31, 2025. These matters were addressed in the context of our audit of the entity financial statements as a whole and in forming our audit opinion. We do not express a separate opinion on these matters.

Allowance for losses on accounts receivable

As of December 31, 2025, the net accounts receivable (including related parties) of Perfect Medical Industry Co., Ltd. amounted to NTD 88,285 thousand, representing 7% of the total assets, and is considered significant to the financial statements of Perfect Medical Industry Co., Ltd.. The assessment of the allowance for doubtful accounts to reflect the credit risk of accounts receivable involves significant judgment by management. Therefore, the allowance for doubtful accounts has been determined by the CPA to be a key audit matter. Our audit procedures included (but were not limited to) evaluating the effectiveness of the internal controls established by management for accounts receivable management; assessing the appropriateness of the allowance for doubtful accounts policy, including understanding the relevant data used by management—based on historical experience, current market conditions, and forecasts of future economic conditions—to estimate the expected loss rate; testing the underlying aging information by sampling original vouchers to verify their accuracy; analyzing trends in the allowance for doubtful accounts and the accounts receivable turnover ratio; and selecting samples to perform accounts receivable confirmation procedures and reviewing subsequent receipts on accounts receivable to assess their collectability. We also considered the appropriateness of the disclosure of accounts receivable in Note 5 and Note 6 of the consolidated financial statements.

Inventory valuation

The net inventory of Perfect Medical Industry Co., Ltd. as of December 31, 2025, amounts to NTD 49,170 thousand, accounting for 4% of the total assets. This is considered significant to the financial statements of Perfect Medical Industry Co., Ltd. Due to the impact of market fluctuations and changes in economic conditions on raw material prices, which may lead to significant fluctuations in inventory prices, and the fact that the inventory provision evaluation involves significant judgment by management, the auditor has determined that inventory valuation is a key audit matter. Our audit procedures include (but are not limited to) evaluating the effectiveness of internal controls established by management for inventory, performing simple tests and understanding the appropriateness of management's accounting policy for assessing obsolete and outdated inventory, selecting significant inventory locations to observe inventory counting procedures, testing the accuracy of inventory aging intervals, recalculating the reasonableness of the provision for obsolete inventory, and obtaining the annual detailed list of purchases, sales, and inventory movements. We also test related purchase and sales documents, recalculate the unit cost of inventory, and evaluate the net realizable value used by management in the inventory valuation. We also considered the appropriateness of the disclosure of inventories in Note 5 and Note 6 of the consolidated financial statements.

Responsibilities of management and governance bodies for the entity financial statements

The responsibility of management is to prepare the entity financial statements in accordance with the financial reporting standards for securities issuers, Management must ensure that the entity financial statements are properly presented and maintain the necessary internal controls related to their preparation to ensure that there are no material misstatements caused by fraud or error.

In the preparation of the entity financial statements, management's responsibility also includes evaluating the ability of Perfect Medical Industry Co., Ltd. to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless management intends to liquidate Perfect Medical Industry Co., Ltd. or cease operations, or unless there is no viable alternative to liquidation or cessation of operations.

The governance body of Perfect Medical Industry Co., Ltd. (including the Audit Committee) is responsible for overseeing the financial reporting process.

Responsibilities of CPAs to audit the entity financial statements

Our purpose in auditing the entity financial statements is to obtain reasonable assurance about whether the entity financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that material misstatements in the entity financial statements will be detected. Misstatements may arise from fraud or error. Misstatements, individually or in aggregate, are considered material if it is reasonable to expect that they will influence the economic decisions of users based on the entity financial statements.

In conducting the audit in accordance with auditing standards, we, as CPAs, exercise professional judgment and professional skepticism. We also perform the following tasks:

1. Identify and assess the risk of material misstatement in the entity financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to form the basis for the audit opinion. Fraud may involve collusion, forgery, deliberate omission, misrepresentation, or circumvention of internal controls, thus the risk of failing to detect material misstatements due to fraud is higher than that due to error.

2. To obtain an understanding of the internal controls relevant to the audit in order to design appropriate audit procedures for the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal controls of Perfect Medical Industry Co., Ltd..

3. To evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures made.

4. Based on the audit evidence obtained, to conclude on the appropriateness of the continuation basis of accounting adopted by management and whether events or conditions exist that may raise significant doubt about the ability of Perfect Medical Industry Co., Ltd. to continue as a going concern. If we believe that such events or conditions present significant uncertainty, we must draw the users' attention in the audit report to the relevant disclosures in the entity financial statements, or modify our audit opinion if such disclosures are deemed inappropriate. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause the Company and its subsidiaries to no longer have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the entity financial statements (including the related notes), and whether the entity financial statements appropriately reflect the relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the individual entities within the Group to form an opinion on the entity financial statements. We are responsible for the guidance, supervision, and execution of the group audit engagement, and for forming the group audit opinion.

We communicate with the governance body regarding matters such as the planned audit scope and timeline, as well as significant audit findings, including any material weaknesses in internal control identified during the audit process.

We determine the key audit matters for the audit of the 2025 entity financial statements of Perfect Medical Industry Co., Ltd. based on the matters communicated with the governance body. We outline these matters in the audit report, unless law prohibits the disclosure of specific matters, or in extremely rare circumstances, where we decide not to communicate certain matters in the audit report due to a reasonable expectation that the negative impact of such communication would outweigh the public interest it would serve.

Ernst & Young Joint Accounting Firm

Financial Reports for Publicly Listed Companies Approved by the Competent Authority

Audit Certification Document Number:
Jin-Guan-Zheng-Shen-Zi No. 1080326041
Jin-Guan-Zheng-Shen-Zi No. 1110348358

Huang Yu-Ting

CPA:

Lo Wen-Chen

March 12, 2026

Perfect Medical Industry Co., Ltd.

Parent company only balance sheet

December 31, 2025 and 2024

Unit: NTD thousands

Assets			December 31, 2025		December 31, 2024	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$108,546	8	$75,822	7
1150	Net notes receivable	4 and 6.16	6,943	1	8,190	1
1170	Net accounts receivable	4, 6.2, and 6.16	85,819	7	74,160	7
1180	Accounts receivables - Net amount from related parties	4, 6.2, 6.16, and 7	2,466	-	18,850	2
1200	Other receivable		15	-	50	-
1210	Other receivable - Net amount from related parties	7	95,865	7	22,344	2
130X	Inventory	4 and 6.3	49,170	4	62,261	6
1410	Advance payment	7	3,161	-	2,500	-
1470	Other current assets	7	11,639	1	6,950	1
11XX	Total current assets		363,624	28	271,127	26
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income - non-current	4 and 6.4	4,559	-	2,091	-
1550	Investments accounted for using the equity method	4 and 6.5	732,283	57	580,954	56
1600	Property, plant and equipment	4, 6.6 and 8	79,577	6	75,428	7
1755	Right-of-use assets	4 and 6.17	2,932	-	3,145	-
1760	Net investment property	4, 6.7 and 8	73,809	6	73,809	7
1840	Deferred income tax assets	4 and 6.21	1,637	-	3,854	1
1900	Other non-current assets	4, 6.8 and 8	30,993	3	32,066	3
15XX	Total non-current assets		925,790	72	771,347	74
1XXX	Total assets		$1,289,414	100	$1,042,474	100

(Please refer to the notes to the parent company only financial statements)

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.
Parent company only balance sheet (continued)
December 31, 2025 and 2024

Unit: NTD thousands

Debt and equity			December 31, 2025		December 31, 2024	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4 and 6.9	$129,880	10	$10,000	1
2110	Short-term notes payable	4 and 12	30,000	2	-	-
2150	Notes payable		729	-	714	-
2170	Accounts payable		9,073	1	9,595	1
2180	Accounts payable - Net amount from related parties	7	38,500	3	-	-
2200	Other accounts payable	6.10	31,083	2	34,999	3
2230	Income tax liabilities in the current period	4	7,206	1	8,132	1
2280	Lease liabilities - current	4 and 6.17	939	-	2,862	-
2320	Long-term borrowings due within one year or one business cycle	4 and 6.11	51,625	4	47,354	5
2399	Other current liabilities - others		32,052	3	952	-
21XX	Total current liabilities		331,087	26	114,608	11
	Non-current liabilities					
2540	Long-term borrowings	4 and 6.11	132,629	10	123,438	12
2570	Deferred income tax liabilities	4 and 6.21	597	-	169	-
2580	Lease liabilities - non-current	4 and 6.17	2,019	-	400	-
25XX	Total non-current liabilities		135,245	10	124,007	12
2XXX	Total liabilities		466,332	36	238,615	23
31XX	Equity attributable to owners of the parent company	4 and 6.13				
3100	Share capital					
3110	Common stock capital		558,547	43	526,627	51
3200	Capital reserve		140,225	11	122,301	12
3300	Retained earnings					
3310	Legal reserve		68,761	5	61,514	6
3320	Special reserve		115,499	9	46,343	4
3350	Undistributed earnings		26,383	2	94,356	9
	Total retained earnings		210,643	16	202,213	19
3400	Other equity					
3410	Exchange difference arising from translation of the financial statements of foreign operations		(84,758)	(6)	(43,239)	(4)
3420	Unrealized valuation gains (losses) on Financial assets at fair value through other comprehensive income		(1,575)	-	(4,043)	(1)
34XX	Total other equity		(86,333)	(6)	(47,282)	(5)
3XXX	Total equity		823,082	64	803,859	77
	Total liabilities and equity		$1,289,414	100	$1,042,474	100

(Please refer to the notes to the parent company only financial statements)

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of comprehensive income

For the years ended December 31, 2025 and 2024

Unit: NTD thousands

Code	Items	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.15 and 7	$548,159	100	$576,605	100
5000	Operating cost	6.3, 6.12, 6.18 and 7	(397,500)	(72)	(416,750)	(72)
5900	Operating gross profit		150,659	28	159,855	28
5910	Unrealized gains/losses on inventory		522	-	(1,847)	-
5920	Realized gains/losses from sales		1,847	-	1,061	-
5950	Net operating gross profit		153,028	28	159,069	28
6000	Operating expenses	6.12, 6.14 and 6.18				
6100	Selling expense		(37,349)	(7)	(39,412)	(7)
6200	Administrative expenses		(61,085)	(11)	(57,333)	(10)
6300	R&D expenses		(12,816)	(2)	(9,304)	(2)
6450	Expected credit impairment loss	6.16	90	-	(87)	-
	Total operating expenses		(111,160)	(20)	(106,136)	(19)
6900	Operating profit		41,868	8	52,933	9
7000	Non-operating income and expenses					
7100	Interest income	6.19	1,293	-	2,185	1
7010	Other income	6.19 and 7	28,733	5	25,787	4
7020	Other gains and losses	6.19 and 7	3,870	1	569	-
7050	Financial cost	6.19	(6,794)	(1)	(3,720)	(1)
7070	ventures recognized using the equity method	6.5	(218)	-	26,562	5
	Total non-operating income and expenses		26,884	5	51,383	9
7900	Profit before tax		68,752	13	104,316	18
7950	Income tax expense	6.21	(14,505)	(3)	(15,193)	(3)
8200	Net income of the current period		54,247	10	89,123	15
8300	Other comprehensive income (net)					
8310	Items not reclassified as gains and losses					
8316	Investments in equity instrument measured at fair value through Unrealized valuation (losses) gains	6.20	2,468	1	(4,043)	(1)
8360	Items that may be reclassified as gains and losses subsequently					
8361	Exchange difference arising from translation of the financial statements of foreign operations	6.5 and 6.20	(41,519)	(8)	7,768	2
	Other comprehensive income of the current period (net amount after tax)		(39,051)	(7)	3,725	1
8500	Total comprehensive income of the current period		$15,196	3	$92,848	16
	Earnings per share (NTD)	6.22				
9750	Basic earnings per share		$1.00		$1.81	
9850	Diluted earnings per share		$0.95		$1.74	

(Please refer to the notes to the parent company only financial statements)

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of changes in equity

For the years ended December 31, 2025 and 2024

Unit: NTD thousands

	Items	Notes	Common stock capital	Capital reserve	Retained earnings			Other equity items		Total equity
					Legal reserve	Special reserve	Unappropriated earnings	Exchange difference arising from translation of the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive	
Code			3110	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance on January 1, 2024	6.13	$456,627	$79,908	$53,054	$38,783	$86,394	$(51,007)	$ -	$663,759
	Appropriation and distribution of 2023 earnings									
B1	Appropriated to legal reserve				4,009		(4,009)			-
B3	Special surplus reserve					12,224	(12,224)			-
B5	Cash dividend for common shares						(31,964)			(31,964)
	Appropriation and distribution of first half of 2024 earnings									
B1	Appropriated to legal reserve				4,451		(4,451)			-
B5	Cash dividend for common shares						(33,177)			(33,177)
B17	Reversal of special reserve					(4,664)	4,664			-
D1	Net income in 2024						89,123			89,123
D3	Other comprehensive income (loss) in 2024							7,768	(4,043)	3,725
D5	Total comprehensive income of the current period		-	-	-	-	89,123	7,768	(4,043)	92,848
E1	Capital increase in cash		70,000	37,870						107,870
N1	Share-based payment transactions (Note 1)	6.14		4,523						4,523
Z1	Balance on December 31, 2024	6.13	$526,627	$122,301	$61,514	$46,343	$94,356	$(43,239)	$(4,043)	$803,859
A1	Balance on January 1, 2025	6.13	$526,627	$122,301	$61,514	$46,343	$94,356	$(43,239)	$(4,043)	$803,859
	Appropriation and distribution of 2024 earnings									
B1	Appropriated to legal reserve				4,461		(4,461)			-
B3	Appropriated to special reserve					939	(939)			-
B5	Cash dividend for common shares						(45,817)			(45,817)
	Appropriation and distribution of first half of 2025 earnings									
B1	Appropriated to legal reserve				2,786		(2,786)			-
B3	Appropriated to special reserve					68,217	(68,217)			-
C17	Changes in capital reserves			$397						397
D1	Net income in 2025						54,247			54,247
D3	Other comprehensive income in 2025							(41,519)	2,468	(39,051)
D5	Total comprehensive income of the current period		-	-	-	-	54,247	(41,519)	2,468	15,196
N1	Share-based payment transactions (Note 2)	6.14	31,920	17,527						49,447
Z1	Balance on December 31, 2025	6.13	$558,547	$140,225	$68,761	$115,499	$26,383	$(84,758)	$(1,575)	$823,082

(Please refer to the notes to the parent company only financial statements)

Note 1: The changes in the Company's share-based payment transactions in 2024 are as follows:

3,760 thousands employee stock certificates were issued on April 17, 2023, recognized compensation cost of NTD4,523 thousands in 2024.

Note 2: The changes in the Company's share-based payment transactions in 2025 are as follows:

Employee stock certificates were issued on April 17, 2023, recognized compensation cost of NTD1,248 thousands in 2025, of these 3,192 thousands shares were converted at a strike price of NTD 15.1 per share, for a total consideration of NTD 48,199 thousands.

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of cash flows

For the years ended December 31, 2025 and 2024

Unit: NTD thousands

Code	Items	2025	2024
AAAA	Cash flow from operating activities:		
A10000	Net income before tax of the current period	$68,752	$104,316
A20000	Adjustment items:		
A20010	Revenue, expenses, gains, and losses Items:		
A20100	Depreciation expense	13,838	14,336
A20200	Amortization expenses	390	305
A20300	Expected credit impairment (profit) loss	(90)	87
A20900	Interest expense	6,794	3,720
A21200	Interest income	(1,293)	(2,185)
A21300	Dividend income	(136)	(887)
A21900	Share-based payment for remuneration cost	1,248	4,523
A22400	Share of profit or loss of subsidiaries, affiliates and joint ventures recognized using the equity method	218	(26,562)
A22500	Gain from disposal and scrap of property, plant and equipment	(98)	(83)
A23700	Non-financial assets impairment loss	-	4,281
A23900	Unrealized (gains) loss between affiliates	(522)	1,847
A24000	Realized gain between affiliates	(1,847)	(1,061)
A29900	Inventory impairment and sluggish reversal gains	(4,290)	(15,183)
A29900	Lease modification benefit	(82)	-
A29900	Other items	4,339	-
A30000	Changes in assets/liabilities related to operating activities:		
A31130	Decrease in notes receivable	1,247	2,968
A31150	Decrease (increase) in accounts receivable	(11,569)	1,143
A31160	Accounts receivable - related parties (increase) decrease	16,384	(4,240)
A31180	Other receivables decreased	35	809
A31190	Other receivables – increase in related parties	(42,215)	(4,763)
A31200	Decrease in inventory	17,381	20,305
A31230	Decrease (increase) in advance payments	(661)	919
A31240	Increase in other current assets	(6,693)	(2,181)
A32125	Decrease in contract liabilities	-	(34)
A32130	Decrease (increase) in notes payable	15	(2,713)
A32150	Decrease in accounts payable	(522)	(23,733)
A32160	Accounts payable - related parties increase	38,500	-
A32180	Increase (decrease) in other accounts payable	(916)	6,074
A32230	Decrease in other current liabilities	(206)	(107)
A33000	Cash inflow from operation	98,001	81,901
A33100	Interest received	1,293	2,249
A33300	Interest paid	(6,670)	(3,531)
A33500	Income tax paid	(12,786)	(11,167)
AAAA	Net cash inflow from operating activities	79,838	69,452

(continued)

(Please refer to the notes to the parent company only financial statements)

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Parent company only statement of cash flows (Continued)

For the years ended December 31, 2025 and 2024

Unit: NTD thousands

Code	Items	2025	2024
	(continued)		
BBBB	Cash flow from investing activities:		
B00040	Acquisition of financial assets measured at amortized cost	-	(9,480)
B00050	Disposal of financial assets measured at amortized cost	-	9,480
B01800	Acquisition of investments accounted for using the equity method	(195,036)	(96,105)
B02700	Acquisition of property, plant and equipment	(14,910)	(16,051)
B02800	Disposal of property, plant and equipment	154	613
B04500	Acquisition of intangible assets	(402)	(1,510)
B06700	Decrease in other non-current assets	(223)	4,867
B07600	Dividends received	136	887
BBBB	Cash outflow from investing activities:	(210,281)	(107,299)
CCCC	Cash flow from financing activities:		
C00100	Increase in short-term borrowings	339,760	120,000
C00200	Decrease in short-term borrowings	(219,880)	(160,000)
C00500	Increase in short-term notes payable	195,000	10,000
C00600	Decrease in short-term notes payable	(165,000)	(50,000)
C01600	Proceeds from long-term borrowings	126,000	1,230,838
C01700	Repayment of long-term borrowings	(112,538)	(1,176,537)
C04020	Repayment of the principal of the lease	(2,954)	(3,556)
C04500	Payment of cash dividends	(45,817)	(65,141)
C04600	Capital increase in cash	-	107,870
C04800	Employee exercise of stock options	48,199	-
C09900	Other fundraising activities	397	-
CCCC	Net cash inflow from financing activities	163,167	13,474
EEEE	Increase (decrease) in cash and cash equivalents for the current period	32,724	(24,373)
E00100	Beginning balance of cash and cash equivalents	75,822	100,195
E00200	Ending balance of cash and cash equivalents	$108,546	$75,822

(Please refer to the notes to the parent company only financial statements)

Chairman: Hsu Kuo-Chi Manager: Chen Hung-Jen Head of Accounting: Yeh Ya-Tung

Perfect Medical Industry Co., Ltd.

Notes to Parent Company Only Financial Statements

For the Years 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, unless otherwise specified)

I. Company History

Perfect Medical Industry Co., Ltd. (hereinafter referred to as "the Company") was established in the Republic of China on April 17, 1989, with the approval of the Ministry of Economic Affairs. The Company's main business activities include the manufacturing, processing, and trading of medical devices such as medical syringes and blood transfusion equipment.

The Company's stock was approved for public offering on May 29, 2015, and was subsequently approved for registration as an emerging stock on March 27, 2019. The Company's registered address and main place of operations is located at No. 100, Xingong 1st Road, Daxin Village Beidou Township, Changhua County.

The Company has control over Perfect Medical Industry (VN) Co., Ltd which was incorporated in April 2000 and registered in Ho Chi Minh City, Vietnam. The principal activities of the subsidiary are the manufacturing, processing, and trading of medical devices.

The Company has control over Perfect TW Medical Industry (VN) Co., Ltd which was incorporated in January 2019 and registered in Tay Ninh Province, Vietnam. The principal activities of the subsidiary are the manufacturing, processing, and trading of medical devices.

II. Date and Procedures of Financial Report Approval

The parent company only financial statements of the Company for the years 2025 and 2024 were approved and authorized for issuance by the Board of Directors on March 12, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

1. Changes in accounting policies resulting from the first-time adoption of International Financial Reporting Standards

   The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Standing Interpretations Committee (SIC) Interpretations endorsed by the Financial Supervisory Commission (FSC) applicable to accounting years beginning on or after January 1, 2025. The initial application of these amendments has no material impact on the Company.

2. As of the date of issuance of the financial statements, the Company has not yet adopted the following new or amended standards and interpretations that have been issued by the International Accounting Standards Board (IASB) and endorsed by the FSC:

Items	Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
1	IFRS 17 "Insurance Contracts"	January 1, 2023
2	Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
3	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
4	Contracts Involving Dependence on Renewable Energy (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

(1) IFRS 17 "Insurance Contracts"

This standard provides a comprehensive model for insurance contracts, covering all accounting-related aspects (recognition, measurement, presentation, and disclosure principles). The core of the standard is the general model, under which insurance contract groups are measured at initial recognition as the total of the fulfillment cash flows and the contractual service margin; the carrying amount at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

In addition to the general model, the standard provides specific application methods for contracts with direct participation features (the variable fee approach) and a simplified approach for short-term contracts (the premium allocation approach).

After this standard was issued in May 2017, amendments were subsequently issued in 2020 and 2021. These amendments, in addition to delaying the effective date by 2 years in the transition provisions (i.e., from the original January 1, 2021 to January 1, 2023) and providing additional exemptions, also reduced the cost of adopting this standard by simplifying certain requirements and modified certain provisions to make some situations easier to interpret. The effectiveness of this standard will replace the transitional standard (i.e., IFRS 4 "Insurance Contracts").

(2) Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

These amendments include:

(a) Clarification that financial liabilities are derecognized on the settlement date, and explanation of the accounting treatment for financial liabilities settled electronically before the settlement date.
(b) Clarification on how to assess the cash flow characteristics of financial assets with environmental, social, and governance (ESG) related link features or other similar contingent features.
(c) Clarification on the treatment of non-recourse assets and contractually linked instruments.
(d) Additional disclosures required under IFRS 7 for financial assets or liabilities with terms related to contingent features (including ESG links), and equity instruments classified as fair value through other comprehensive income.

(3) Annual Improvements to IFRS Accounting Standards - Volume 11

(a) Amendments to IFRS 1
(b) Amendments to IFRS 7
(c) Amendments to IFRS 7 Implementation Guidance
(d) Amendments to IFRS 9
(e) Amendments to IFRS 10
(f) Amendments to IAS 7

(4) Contracts Involving Dependence on Renewable Energy (Amendments to IFRS 9 and IFRS 7)

These amendments include:
(a) Clarification of the requirements for "own use" application.
(b) Allowing the application of hedge accounting when contracts are used as hedging instruments.
(c) Add disclosure requirements in notes to help investors understand the impact of these contracts on corporate financial performance and cash flow

The above newly issued and revised standards are effective for fiscal years beginning on or after

January 1, 2026. Except for the potential impact of revised standards (2) which is under assessment, the other new and revised standards have no material impact on the Group.

3. As of the date of issuance of the financial statements, the Company has not adopted the following new, amended, and revised standards or interpretations that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC:

Items	Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
1	Amendments to IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures - Sales or Contributions of Assets between an Investor and its Associates or Joint Ventures	To be determined by the IASB
2	IFRS18 “Presentation and Disclosure in Finalncial Statements”	January 1, 2027(Note)
3	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosure (IFRS 19)	January 1, 2027
4	Translation into the presentation currency under hyperinflationary conditions (amendments to IAS 21 and IAS 29)	January 1, 2027

Note: FSC issued a press release on September 25, 2025, announcing that Taiwan would align with Internatinal Financial Reporting Stands No. 18 in 2028.

(1) Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The plan addresses the inconsistency between IFRS 10, “Consolidated Financial Statements,” and IAS 28, “Investments in Associates and Joint Ventures,” regarding the loss of control resulting from an investment in an associate or joint venture through the use of a subsidiary as a valuation instrument. IAS 28 requires that when a non-monetary asset is contributed in exchange for an interest in an associated entity or joint venture, the share of the resulting gain or loss should be eliminated as if it were a downstream transaction. IFRS 10 requires that the full gain or loss upon lose of control of a subsidiary should be recognized. The amendments restrict the previous requirement in IAS 28 that gains or losses arising from the disposal or contribution of assets constitutes a business as defined in IFRS 3 should be recognized in full.

The amendments also modifies IFRS 10 so that when t an investor and its associated entity or joint venture sell or acquire a subsidiary that is not a business as defined in IFRS 3, the resulting gain or loss is recognized only to the extent that it does not represent the investor's share.

(2) IFRS 18 “Presentation and Disclosure in Financial Statements”

This standard will replace IAS 1 Presentation of Financial Statements. The main changes are as follows:

(a) Improving comparability of the statement of profit or loss

Classify income and expenses into five categories in the income statement: operating, investing, financing, income tax, or discontinued operations, the first three categories are new, improving the structure of the income statement, all companies are required to provide newly defined subtotals (including operating profit and loss). By improving the structure of the income statement and the newly defined subtotals, investors will have a more consistent starting point for analyzing financial performance across entities, and making easier to compare business.

(b) Enhancing transparency of management performance measures

Requires companies to disclose explanations of company-specific metrics (called management performance indicators) related to the income statement.

(c) Useful summary of financial statement information

This change is expected to provided more detailed and usefu information on establishing application guidance for determining the placement of financial information in the primary financial statements or in the notes. Require companies to provide more transparent operating expense information to help investors find and understand the information they use.

(3) Disclosure Initiative — Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard simplifies the disclosure requirements for subsidiaries without public accountability and permits eligible subsidiaries to apply the standard on a voluntary basis.

(4) Translation into the presentation currency in hyperinflationary economies (Amendments to IAS 21 and IAS 29)

The amendments include the following:

(a) When the functional currency of the reporting entity is not that of a hyperinflationary economy and the financial statements are translated into a presentation currency of a hyperinflationary economy, the results of operations and financial position shall be translated using the closing exchange rate at the date of the most recent statement of financial position.

(b) In the above circumstances, when the presentation currency subsequently ceases to be that of a hyperinflationary economy, the reporting entity shall not restate amounts reported in prior periods.

(c) When both the functional currency and the presentation currency are those of a hyperinflationary economy, the reporting entity shall apply the requirements of IAS 29, paragraph 34.

The above standards and interpretations have been issued by the IASB but not yet endorsed by the FSC. The actual effective dates will be determined by the FSC. Except for the Group currently assessing the potential impact of the new or amended standards or interpretations mentioned in (2), the other new or amended standards or interpretations are not expected to have a significant impact on the Group.

IV. Summary of Material Accounting Policies Information

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

1. Statement of Compliance

The Company's parent only financial statements for the years 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of Preparation

The Company has prepared its parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. According to Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income in the individual financial statements shall be the same as the allocations of profit or loss and other comprehensive income attributable to owners of the parent in the consolidated financial statements, and the owners' equity in the parent company only financial statements shall be the same as the equity attributable to owners of the parent in the consolidated financial statements. Therefore, investments in subsidiaries are presented as "Investments Accounted for Using the Equity Method" in the parent company only financial statements with necessary valuation adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair value. Unless otherwise stated, the financial statements are presented in thousands of New Taiwan Dollars.

3. Foreign Currency Transactions

The Company's individual financial statements are presented in its functional currency, the New Taiwan Dollar.

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing rates on that date; non-monetary items measured at fair value in foreign currencies are retranslated at the exchange rates on the date when the fair value was determined; non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions.

Except for the following, exchange differences arising from the settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset, if they are regarded as an adjustment to interest costs, are included in the borrowing costs that are eligible for capitalization as part of the cost of the asset.

(2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policies for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Translation of Foreign Currency Financial Statements

The company's parent company only financial statements are expressed in the functional currency New Taiwan Dollar. Foreign currency transactions are converted into functional currency records based on the exchange rate on the transaction date. At the end of each reporting period, foreign currency monetary items are converted at the closing exchange rate on that day; foreign currency non-monetary items measured at fair value are converted at the exchange rate on the day when the fair value is measured; foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the original transaction date.

In the case of a partial disposal of a subsidiary that includes a foreign operation while maintaining control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation rather than recognized in profit or loss. In the case of a partial disposal of an associate or joint arrangement that includes a foreign operation while maintaining significant influence or joint control, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

5. Classification of Current and Non-current Assets and Liabilities

An asset is classified as current when one of the following conditions is met; assets not meeting these conditions are classified as non-current assets:

(1) The asset is expected to be realized or intended to be sold or consumed in the normal operating cycle.
(2) The asset is held primarily for trading purposes.
(3) The asset is expected to be realized within twelve months after the reporting period.
(4) The asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when one of the following conditions is met; liabilities not meeting these conditions are classified as non-current liabilities:

(1) The liability is expected to be settled in the normal operating cycle.
(2) The liability is held primarily for trading purposes.
(3) The liability is due to be settled within twelve months after the reporting period.
(4) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with original maturities of three months or less).

7. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

(1) Recognition and Measurement of Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Company classifies its financial assets as subsequently measured at amortized cost or at fair value through other comprehensive income based on the following two criteria:

A. The entity's business model for managing the financial assets.
B. The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables on the balance sheet:

A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets (except for those involved in a hedging relationship) are subsequently measured at amortized cost [the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance]. When disposed of, amortized, or when recognizing impairment gains or losses, the gain or loss is recognized in profit or loss.

Interest calculated using the effective interest method (effective interest rate multiplied by the gross carrying amount of the financial asset) or in the following situations is recognized in profit or loss:

A. For purchased or originated credit-impaired financial assets, using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial asset.
B. For assets not in the previous category but which subsequently become credit-impaired, using the effective interest rate multiplied by the amortized cost of the financial asset.

Financial assets measured at fair value through other comprehensive income

Financial assets that meet both of the following conditions are measured at fair value through other comprehensive income and are presented as financial assets measured at fair value through other comprehensive income on the balance sheet:

A. Business model for managing financial assets: Both collecting contractual cash flows and selling financial assets.
B. Contractual cash flow characteristics of the financial asset: Cash flows are solely payments

of principal and interest on the principal amount outstanding.

The recognition of gains and losses for these financial assets is explained as follows:

A. Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, which are recognized in profit or loss.
B. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest calculated using the effective interest method (effective interest rate multiplied by the gross carrying amount of the financial asset) or in the following situations is recognized in profit or loss:
   (a) For purchased or originated credit-impaired financial assets, using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial asset.
   (b) For assets not in the previous category but which subsequently become credit-impaired, using the effective interest rate multiplied by the amortized cost of the financial asset.

Furthermore, for equity instruments within the scope of IFRS 9 that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, an entity may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when such equity instruments are disposed of, the accumulated amounts included in other equity items are transferred directly to retained earnings), and these are presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Company recognizes and measures a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. For debt instrument investments measured at fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Company measures expected credit losses in a way that reflects:

A. An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.
B. The time value of money.
C. Reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions (that is available without undue cost or effort at the balance sheet date).

The methods for measuring loss allowances are described as follows:

A. Measurement at an amount equal to 12-month expected credit losses: This includes financial assets for which credit risk has not increased significantly since initial recognition, or those determined to have low credit risk at the balance sheet date. It also includes financial assets for which loss allowance was measured at an amount equal to lifetime expected credit losses in the previous reporting period, but which no longer meet the condition of a significant increase in credit risk since initial recognition at the current

balance sheet date.

B. Measurement at an amount equal to lifetime expected credit losses: This includes financial assets for which credit risk has increased significantly since initial recognition, or purchased or originated credit-impaired financial assets.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each balance sheet date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition. For additional information related to credit risk, please refer to Note 12.

(3) Derecognition of financial assets

The Company derecognizes financial assets when one of the following conditions is met:

A. The contractual rights to the cash flows from the financial asset expire.
B. The financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred.
C. Neither the financial asset has been transferred nor substantially all the risks and rewards of ownership of the asset have been retained, but control of the asset has been transferred.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received or receivable plus any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(4) Financial Liabilities

Classification of Liabilities

Liabilities issued by the Company are classified as financial liabilities based on the substance of the contractual agreement and the definition of financial liabilities.

Financial Liabilities

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost include payables and borrowings, which are subsequently measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized using the effective interest method, the related gains or losses and amortization are recognized in profit or loss.

Amortized cost is calculated taking into account any discount or premium on acquisition and transaction costs.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

When the Company exchanges with the lender debt instruments with substantially different terms, or the terms of an existing financial liability are substantially modified (whether or not due to financial difficulty), such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in either:
(1) The principal market for the asset or liability, or
(2) In the absence of a principal market, the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

9. Inventories

Inventories are valued at the lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials, merchandise and goods in transit – Actual cost on a weighted average basis.

Finished goods and work in progress – Includes cost of direct materials, direct labor and manufacturing overheads, but excludes borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted for in accordance with IFRS 15 and is not within the scope of

inventories.

10. Investments Accounted for Using the Equity Method

The Company's investments in subsidiaries are presented as "Investments accounted for using the equity method" in accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, with necessary valuation adjustments to ensure that the profit or loss and other comprehensive income in the parent company only financial reports are the same as the share of profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial reports, and that the equity in the parent company only financial reports is the same as the equity attributable to the owners of the parent company in the consolidated financial reports. These adjustments primarily consider the treatment of investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different reporting entity levels, and are recorded by debiting or crediting "Investments accounted for using the equity method," "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method," or "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method."

The Company's investments in associates, except those classified as assets held for sale, are accounted for using the equity method. An associate is an entity over which the Company has significant influence.

Under the equity method, investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of the net assets of the associate in proportion to its shareholding. After the carrying amount of the investment in associates and other related long-term interests is reduced to zero under the equity method, additional losses and liabilities are recognized to the extent that legal obligations, constructive obligations, or payments made on behalf of the associate have been incurred. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When changes in an associate's equity are not resulting from profit or loss or other comprehensive income items and do not affect the Company's percentage of ownership, the Company recognizes such changes in equity based on its percentage of ownership. The resulting capital surplus recognized is subsequently reclassified to profit or loss at the time of disposal of the associate on a pro-rata basis.

When an associate issues new shares and the Company does not subscribe to the new shares in proportion to its original ownership percentage, resulting in a change in the Company's ownership percentage and a corresponding increase or decrease in its share of the net assets of the associate, the increase or decrease is adjusted through "Capital surplus" and "Investments accounted for using the equity method." When the ownership percentage decreases, the items previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate accounts in proportion to the decrease. The capital surplus recognized is subsequently reclassified to profit or loss at the time of disposal of the associate on a pro-rata basis.

The financial statements of the associate are prepared for the same reporting period as the Company and are adjusted to align the accounting policies with those of the Company.

At the end of each reporting period, the Company determines whether there is any objective evidence that its investment in the associate is impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures." If there is objective evidence of impairment, the Company calculates the impairment as the difference between the recoverable amount of the associate and its

carrying value in accordance with IAS 36 "Impairment of Assets," and recognizes the impairment loss in profit or loss related to the associate. If the recoverable amount is based on the value in use of the investment, the Company determines the related value in use based on the following estimates:

(1) The Company's share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing of goodwill in IAS 36 "Impairment of Assets."

When significant influence over an associate is lost, the Company measures and recognizes any retained investment at its fair value. The difference between the carrying amount of the investment in associate upon loss of significant influence and the fair value of the retained investment plus proceeds from disposal is recognized in profit or loss.

11. Property, Plant and Equipment

Property, plant and equipment are recognized at acquisition cost, less accumulated depreciation and any accumulated impairment losses. The aforementioned cost includes the cost of dismantling, removing, and restoring the site on which the asset is located, as well as necessary interest expense incurred due to unfinished construction. If the components of property, plant and equipment are significant, they will be depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation methods. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, Plant and Equipment." Major inspection costs that meet the recognition criteria are capitalized as replacement costs and are recognized as part of the carrying amount of plant and equipment. Other repair and maintenance costs are recognized in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Items	Useful Lives
Buildings and structures	5 to 60 years
Machinery equipment	2 to 19 years
Transportation equipment	5 to 8 years
Office equipment	3 to 12 years
Other equipment	3 to 15 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized as non-operating income or expense.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate, with the effect of any changes in estimate accounted for on a prospective basis.

12. Investment Property

The Company's investment properties are measured initially at cost, including transaction costs.

The carrying amount of investment property includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, except for those that meet the criteria to be classified as held for sale (or are included in a disposal group classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," investment properties are measured using the cost model in accordance with the requirements of IAS 16 "Property, Plant and Equipment." However, if they are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, they are accounted for in accordance with IFRS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

The Company decides to transfer to or from investment properties based on the actual usage of assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of a change in use.

13. Leases

The Company assesses whether a contract is, or contains, a lease at the inception date of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

(1) The right to obtain substantially all of the economic benefits from use of the identified asset; and
(2) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If observable stand-alone prices are not readily available, the Company maximizes the use of observable information to estimate the stand-alone price.

The Company as lessee

Except for leases that meet and elect the short-term lease or leases of low-value assets recognition exemption, the Company recognizes right-of-use assets and lease liabilities for all leases when the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease

payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) Amounts expected to be payable by the lessee under residual value guarantees;
(4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(1) The amount of the initial measurement of the lease liability;
(2) Any lease payments made at or before the commencement date, less any lease incentives received;
(3) Any initial direct costs incurred by the lessee; and
(4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, i.e., applying the cost model to the right-of-use asset.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect the short-term lease or leases of low-value assets recognition exemption, the Company presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense and depreciation expense separately in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

14. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated

impairment losses. Internally generated intangible assets which fail to meet the recognition criteria are not capitalized and the related expenditures are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at the individual asset or cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

The Company's accounting policies for intangible assets are summarized as follows:

	Computer Software Costs
Useful Lives	3 to 11 years
Amortization method used	Amortized on a straight-line basis
Internally generated or acquired	Externally acquired

15. Impairment of Non-financial Assets

The Company assesses at the end of each reporting period whether there is any indication that an asset subject to IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company tests the asset for impairment by estimating its recoverable amount. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that asset or the cash-generating unit. An impairment loss recognized in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Such reversal is recognized in profit or loss for continuing operations.

16. Revenue Recognition

The Company's revenue from contracts with customers primarily comes from the sale of goods, the accounting treatment of which is explained as follows:

The Company manufactures and sells goods. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of them (i.e., when the customer has the

ability to direct the use of the goods and obtain substantially all of the remaining benefits from them). The transactions for the sale of goods are recognized based on the prices specified in the contracts.

The credit terms for the Company's sales transactions range from 30 to 120 days. For most contracts, accounts receivable are recognized when control of the goods is transferred and the Company has an unconditional right to consideration. These accounts receivable typically have short terms and do not contain a significant financing component. For a small portion of contracts, the Company receives partial consideration from customers upon contract inception, and recognizes a contract liability for its obligation to deliver goods subsequently. The aforementioned contract liabilities are typically recognised as revenue within a period not exceeding one year and do not give rise to a significant financing component.

17.Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

18. Government Grants

The Company recognizes government subsidy income only when it can reasonably ascertain that it will meet the conditions for government subsidies and will receive the economic benefits of government subsidies. When a grant relates to an asset, the government grant is recognized as deferred income and recognized as income over the expected useful life of the related asset; when a grant relates to an expense item, the government grant is recognized as income in a reasonable and systematic manner in accordance with the expected period of occurrence of the related costs.

19. Post-employment Benefit Plans

The retirement plan of the Company and its domestic subsidiaries applies to all formally employed staff. Employee retirement funds are entirely deposited with the Labor Retirement Fund Supervisory Committee and placed into a designated retirement fund account. Since these retirement funds are deposited under the name of the Labor Retirement Fund Supervisory Committee and are completely separate from the Company and its domestic subsidiaries, they are not included in the parent company only financial statements mentioned above.

For defined contribution post-employment benefit plans, the Company and its domestic subsidiaries contribute at a rate of no less than 6% of each employee's monthly salary every month, and the amounts contributed are recognized as expenses for the current period.

20 Share-based Payment Transactions

The cost of equity-settled share-based payment transactions between the Company and its employees is measured at the fair value of the equity instruments at the grant date. The fair value is measured using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service and performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The change in cumulative

expense recognized between the beginning and end of each reporting period is recognized in profit or loss for that period.

If share-based payment compensation ultimately does not meet vesting conditions, no expense needs to be recognized. No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction are modified, the minimum expense recognized is the expense that would have been incurred had the original terms not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

When restricted employee shares are issued, the fair value of the equity instruments given at the grant date serves as the basis for recognizing salary expenses and a corresponding increase in equity over the vesting period. At the grant date, the Company recognizes unearned employee compensation, which is a transitional account and presented as a deduction from equity in the consolidated balance sheet, and is amortized to salary expenses over time.

21. Income Tax

Income tax expense (benefit) refers to the aggregate amount included in the determination of profit or loss for the period in relation to current tax and deferred tax.

Current Income Tax

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The additional income tax on undistributed earnings is recognized as income tax expense on the date when the shareholders resolve to distribute the earnings.

Deferred Income Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) When the deferred tax liability arises from the initial recognition of goodwill or an asset or

liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not create equal taxable and deductible temporary differences at the time of the transaction.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

(1) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not create equal taxable and deductible temporary differences at the time of the transaction.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

V. Major Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

When preparing the individual financial statements, the Company's management must make judgments, estimates and assumptions at the end of the reporting period, which will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates and Assumptions

Information about the key sources of estimation uncertainty and assumptions concerning the future at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

(1) Accounts Receivable - Estimation of Impairment Loss

The Company's estimation of impairment loss for accounts receivable is measured by the expected credit loss over the lifetime, which is calculated as the present value of the difference between the contractual cash flows that are due in accordance with the contract (carrying amount) and the cash flows that are expected to be received (considering forward-looking information). However, for short-term receivables, the discounting impact is not material, and the credit loss is measured using the undiscounted difference. If future actual cash flows are less than expected, significant impairment losses may occur. Please refer to Note 6.

(2) Inventory Valuation

The estimates of net realizable value of inventories take into consideration inventory damage, whole or partial obsolescence, or selling price declines. The estimate is based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to realize. Please refer to Note 6.

(3) Revenue Recognition – Sales Returns and Allowances

The Company estimates sales returns and allowances based on historical experience and other known factors, and recognises such amounts as a reduction of revenue at the time of sale. Such estimates are made to the extent that it is highly probable that the cumulative amount of revenue recognised will not be reversed in a significant amount.

VI. Explanation of Important Accounting Items

1. Cash and Cash Equivalents

	2025/12/31	2024/12/31
Demand deposits	$108,516	$75,792
Cash on hand	30	30
Total	$108,546	$75,822

The Company's bank deposits are not pledged as collateral.

2. Accounts Receivable and Accounts Receivable - Related Parties

	2025/12/31	2024/12/31
Accounts receivable - non-related parties	$85,821	$74,252
Less: loss allowance for expected credit losses	(2)	(92)
Subtotal	85,819	74,160
Accounts receivable - related parties	2,466	18,850
Total	$88,285	$93,010

The Company's accounts receivable are not pledged as collateral.

The Company's credit terms to customers typically range from 30 days to 120 days. As of December 31, 2025 and December 31, 2024, the total carrying amounts were NT$88,287 thousand and NT$93,102 thousand, respectively. For information relating to loss allowance for expected credit losses during 2025 and 2024, please refer to Note 6.16, and for information on credit risk, please refer to Note 12.

3. Inventory

	2025/12/31	2024/12/31
Merchandise	$42,583	$58,770
Semi-finished goods	5,227	2,298

	2025/12/31	2024/12/31
Raw materials and supplies	972	851
	2025/12/31	2024/12/31
Finished goods	388	342
Total	$49,170	$62,261

The Company's inventory costs recognized as cost of good sold in the years 2025 and 2024 were NT$397,500 thousand and NT$416,750 thousand respectively, which included reversals of inventory write-down and obsolescence of NT$4,290 thousand and NT$15,183 thousand, respectively. The reversals arose from the disposal of certain obsolete inventories by the Company. The aforementioned inventories have not been pledged as collateral.

The aforementioned inventories have not been pledged as collateral.

4. Financial assets measured at fair value through other comprehensive income – noncurrent

	2025/12/31	2024/12/31
Financial assets measured at fair value through other comprehensive income – noncurrent		
Unlisted equity securities	$4,559	$2,091

The Company''s are financial assets measured at fair value through other comprehensive income – noncurrent have not been pledged as collateral.

The following is information on dividend income from the Group's equity instruments held measured at fair value through other comprehensive income:

	2025/12/31	2024/12/31
Dividend revenue recognized in the current period	$136	$887

5. Investments Using The Equity Method

(1) Investment in Subsidiaries

The Company's investments in subsidiaries are presented as "Investments using the equity method" in the parent company only financial statements with necessary valuation adjustments. Details are as follows:

Name of Investee	2025/12/31		2024/12/31	
	Amount	Ownership Percentage	Amount	Ownership Percentage
Investment in subsidiaries:				
Perfect Medical Industrial (VN) Co., Ltd.	$295,582	100%	$301,492	100%
Perfect TW Medical Industrial (VN) Co., Ltd.	436,100	100%	278,798	100%
Medi-Life Co., Ltd.	601	100%	664	100%
Total	$732,283		$580,954	

(2) The details of investment gains and losses recognized using the equity method and exchange differences on translation of foreign operations' financial statements for the above investees for the years 2025 and 2024 are as follows:

Name of Investee	2025 Share of profits and losses of subsidiary, affiliated enterprises and joint ventures recognized using equity method	2025 Exchange differences in the translation of financial statements of foreign operating institutions	2024 Share of profits and losses of subsidiary, affiliated enterprises and joint ventures recognized using equity method	2024 Exchange differences in the translation of financial statements of foreign operating institutions
Perfect Medical Industrial (VN) Co., Ltd.	$13,787	$(21,757)	$31,455	$5,269
Medi-Life Co., Ltd.	(63)	-	1	-
Perfect TW Medical Industrial (VN) Co., Ltd.	(13,942)	(19,762)	(4,894)	2,499
Total	$(218)	$(41,519)	$26,562	7,768

6. Property, Plant and Equipment

	2025/12/31	2024/12/31
Property, Plant and Equipment for Own Use	$79,577	$75,428

	Land	Buildings and structures	Machinery equipment	Other equipment (Note1)	Unfinished construction	Total
Cost:						
2025/1/1	$10,795	$45,068	$110,559	$25,830	$3,190	$195,442
Additions	-	4,314	4,965	2,574	-	11,853
Disposals	-	-	-	(672)	-	(672)
Transfer	-	-	3,312	-	-	3,312
2025/12/31	$10,795	$49,382	$118,836	$27,732	$3,190	$209,935
Depreciation and impairment:						
2025/1/1	$ -	$18,711	$84,076	$17,227	$ -	$120,014
Depreciation	-	1,800	6,736	2,424	-	10,960
Disposals	-	-	-	(616)	-	(616)
2025/12/31	$ -	$20,511	$90,812	$19,035	$ -	$130,358

	Land	Buildings and structures	Machinery equipment	Other equipment (Note1)	Unfinished construction	Total
Cost:						
2024/1/1	$10,795	$43,900	$108,742	$20,294	$3,190	$186,921
Additions	-	1,168	8,239	6,353	-	15,760
Disposals	-	-	(7,030)	(930)	-	(7,960)
Transfer	-	-	608	113	-	721
2024/12/31	$10,795	$45,068	$110,559	$25,830	$3,190	$195,442

	Land	Buildings and structures	Machinery equipment	Other equipment (Note1)	Unfinished construction	Total
Depreciation and impairment:						
2024/1/1	$-	$17,064	$79,327	$15,907	$-	$112,298
Depreciation	-	1,647	7,113	2,105	-	10,865
Impairment loss (Note2)	-	-	4,281	-	-	4,281
Depreciation and impairment:						
Disposals	-	-	(6,645)	(785)	-	(7,430)
2024/12/31	$-	$18,711	$84,076	17,227	$-	120,014
Net carrying amount:						
2025/12/31	$10,795	$28,871	$28,024	$8,697	$3,190	$79,577
2024/12/31	$10,795	$26,357	$26,483	$8,603	$3,190	$75,428

(Note1): Including transportation equipment, office equipment, and other equipment, etc.
(Note2): As the epidemic situation has slowed down in recent years and the market demand for masks has decreased significantly, the Company wrote down the book value of some machinery and equipment to 0 in 2024, resulting in impairment losses of NT$ 4,281 thousand. The impairment loss has been recognized in the consolidated Comprehensive income statement.

The major components of the Company's buildings mainly consist of the main building and renovation works, etc., and are depreciated over their useful lives of 60 years and 25 years, respectively.

In years 2025 and 2024, the Company did not have any situations where interest needed to be capitalized due to the purchase of property, plant and equipment.

For details on property, plant and equipment provided as collateral, please refer to Note 8.

7. Investment Property

Investment property includes investment property owned by the Company. The Company has not yet leased out its own investment property.

	2025/12/31	2024/12/31
Net book value of land	$73,809	$73,809

For details on investment property provided as collateral, please refer to Note 8.

The investment property held by the Company is not measured at fair value, but only discloses information about its fair value, which belongs to Level 3 in the fair value hierarchy. The fair values of the investment property held by the Company as of December 31, 2025 and December 31, 2024 were NT$108,864 thousand and NT$104,328 thousand, respectively. As of December 31, 2025 and 2024 , the aforementioned fair values were assessed by an independent external valuation expert, using comparative and land development analysis method.

8. Other Non-current Assets

	2025/12/31	2024/12/31
Prepaid equipment	$15,064	$14,407
Refundable deposits	9,989	11,777
Restricted assets - time deposits	3,758	3,712

	2025/12/31	2024/12/31
Intangible assets	2,182	2,170
Total	$30,993	$32,066

For the years ended December 31, 2025 and 2024, additions to intangible assets amounted to NT$402 thousand and NT$1,510 thousand, respectively, while amortization amounted to NT$390 thousand and NT$305 thousand, respectively.

For details on the pledged restricted assets - time deposits, please refer to Note 8.

9. Short-term loans

	2025/12/31	2024/12/31
Secured bank loans	$65,000	$-
Unsecured bank loans	64,880	10,000
Total	$129,880	$10,000

	2025	2024
Interest rate range	2.03%~2.22%	2.14%

As of December 31, 2025 and December 31, 2024, unused short-term borrowing facilities were approximately NT$100,120 thousand and NT$120,000 thousand, respectively.

Secured borrowings are guaranteed by the Small and Medium Enterprise Credit Guarantee Fund.

10. Other payables

	2025/12/31	2024/12/31
Salaries and bonuses payable	$10,191	$9,928
Employee and director compensation payable	5,900	8,944
Equipment payable	621	3,678
Others	14,371	12,449
Total	$31,083	$34,999

11. Long-term Loans

Details of long-term loans as of December 31, 2025 and December 31, 2024 are as follows:

Creditor	2025/12/31	Interest rate (%)	Repayment period and method
Bank Sinopac Company Limited Secured loan	$68,396	2.15%	From September 6, 2024to September 6, 2029, repayable in monthly installments of NT$1,583 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank secured loan	38,939	2.27%	From January 17, 2025 to January 17, 2029, repayable in monthly installments of NT$1,091 thousand each, with full repayment on the last installment. Interest is payable monthly.
CTBC Bank Secured loan	31,500	2.44%	From February 21, 2025 to February 19, 2027, repayable in monthly installments of NT$1,500 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	23,379	2.42%	From January 17, 2025 to January 17, 2029, repayable in monthly installments of NT$656 thousand each, with full repayment on the last

Creditor	2025/12/31	Interest rate (%)	Repayment period and method
			installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	7,400	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$200 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	7,022	2.45%	From January 17, 2025 to January 17, 2029, repayable in monthly installments of NT$288 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	4,903	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$133 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	1,850	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$500 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	865	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$23 thousand each, with full repayment on the last installment. Interest is payable monthly.
Subtotal	184,254		
Less: Long-term loans due within one year or one operating cycle	(51,625)		
Total	$132,629		

Creditor	2024/12/31	Interest rate (%)	Repayment period and method
Bank Sinopac Company Limited Secured loan	$85,725	2.15%	From September 6, 2024to September 6, 2029, repayable in monthly installments of NT$1,583 thousand each, with full repayment on the last installment. Interest is payable monthly.
CTBC Bank Secured loan	31,500	2.6%	From January 12, 2024 to January 12, 2026, repayable in quarterly installments of NT$1,500 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Unsecured loan	13,828	2.42%	From February 10, 2023 to February 10, 2027, repayable in monthly installments of NT$546 thousand each, with full repayment on the last installment. Interest is payable monthly.
Taichung Commercial Bank Secured loan	13,289	2.27%	From January 16, 2023 to January 16, 2027, repayable in monthly installments of NT$545 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	9,800	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$204 thousand each, with full repayment on the last installment. Interest is payable monthly.
Chang Hwa Commercial Bank Secured loan	6,562	2.28%	From February 18, 2022 to October 18, 2025, with a grace period for the first year. Beginning from March 18, 2025, repayable in monthly installments of NT$656 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Secured loan	6,492	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$135 thousand each, with full repayment on the last

Creditor	2024/12/31	Interest rate (%)	Repayment period and method
			installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	2,450	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$51 thousand each, with full repayment on the last installment. Interest is payable monthly.
Hua Nan Commercial Bank Unsecured loan	1,146	2.22%	From January 12, 2024 to January 12, 2029, repayable in monthly installments of NT$24 thousand each, with full repayment on the last installment. Interest is payable monthly.
Subtotal	170,792		
Less: Long-term loans due within one year or one operating cycle	(47,354)		
Total	123,438		

All mortgage loans are secured by land, investment properties, buildings and structures, and restricted bank deposits-time deposits as collateral. Please refer to Note 8 for details.

The company's bank borrowings are jointly and severally guaranteed by the Chairman. Post-employment Benefit Plans.

12. Post-employment Benefit Plans

Defined Contribution Plan

The Company's employee retirement plan established in accordance with the "Labor Pension Act" is a defined contribution plan. According to this Act, the Company's monthly contribution rate for employees' pension shall not be less than six percent of each employee's monthly salary.

The Company recognized expenses related to the defined contribution plan amounting to NT$2,767 thousand and NT$2,470 thousand for the years 2025 and 2024, respectively.

13. Equity

(1) Common Stock

As of January 1, 2024, the Company's authorized capital was NT$800,000 thousand, with a par value of NT$10 per share, divided into 80,000 thousand shares. 45,663 thousand shares had been issued with paid-in capital of NT$456,627 thousand.

In order to repay bank borrowings and enrich working capital, the company passed the resolution of the board of directors on March 12, 2024, through a cash capital increase to issue 7,000 thousand shares, and reserved a total of 1,050 thousand new shares for employees to subscribe for, issued at a premium of NT$15.2 per share.This capital increase case has been approved by the competent authority, and the board of directors has resolved to set June 28, 2024, as the base date for the capital increase, and the change registration was completed on August 15, 2024.

As of December 31, 2024, the Company's authorized capital was NT$800,000 thousand, with a par value of NT$10 per share, divided into 80,000 thousand shares. 52,663 thousand shares were issued, and the related paid-in capital of NT$526,627 thousand, respectively.

3,192 employee stock options issued by the Company were exercised in May 2025. Each unit subscribes for 1,000 shares of common stock, totaling 3,192,000 shares, at a subscription price

of NT$15.1 per share. The Company's Board of Directors resolved on June 9, 2025, to designate that date as the base date for the conversion of employee stock options into common shares, which was completed on August 5, 2025.

As of December 31, 2025, the Company had authorised share capital of NT$800,000 thousand, divided into 80,000 thousand ordinary shares with a par value of NT$10 each. A total of 55,855 thousand ordinary shares were issued and outstanding, and paid-in capital amounted to NT$558,547 thousand.

(2) Capital Surplus

According to regulations, capital surplus can only be used to offset company losses and cannot be used for other purposes. When the company has no losses, capital surplus arising from the premium on issuance of shares above par value and from donations received may be capitalized annually up to a certain percentage of the paid-in capital. The aforementioned capital surplus may also be distributed as cash dividends in proportion to the shareholders' original shareholding.

	2025/12/31	2024/12/31
Stock additional paid-in capital	$129,415	$113,136
Employee share option	10,413	9,099
Lapsed share option(Note)	-	66
Other	397	
Total	$140,225	$122,301

(Note):The company was approved to issue stock options on April 11, 2023. Two years after the expiration, stock options can be issued free of charge according to a certain time schedule and proportion. This year's capital reserve - lapsed stock options started from the capital reserve - employee stock options transferred to employees due to employee resignation.

The employee stock options issued by the Company on April 17, 2023 resulted in compensation costs of NT$1,248 thousand and NT$4,523 thousand for the years ended December 31, 2025 and 2024, respectively. 3,192 thousand options were exercised on June 9, 2025 at an exercise price of NT$15.1 per share, generating total proceeds of NT$48,199 thousand.

(3) Retained Earnings and Dividend policy

According to the provisions of the company's articles of association, if there is a surplus in the annual final accounts, it will be distributed in the following order:

A. Withdraw Taxes.
B. Make up for losses.
C. Set aside 10% as statutory surplus reserve.
D. Other special surplus reserves are set aside or transferred in accordance with the provisions of laws or orders of the competent authority.
E. The rest shall be drafted by the board of directors in accordance with the dividend policy and submitted to the shareholders' meeting.

The company's dividend distribution policy depends on the company's current and future investment environment, funding needs, domestic and foreign competition, capital budget and other factors, taking into account shareholders' interests, balanced dividends and the company's long-term financial planning. Every year, the board of directors prepares a distribution plan in accordance with the law and submits it to the shareholders' meeting.

Dividends to shareholders can be paid in cash or stocks, and the proportion of cash dividend distribution shall not be less than 10%.

The legal reserve shall not be used except for covering the company's losses and issuing new shares or cash to shareholders in proportion to their original shareholding. However, only the portion of the legal reserve which exceeds 25% of the paid-in capital may be used for issuing new shares or cash.

When distributing the distributable surplus, the Company shall, in accordance with regulations, set aside a special reserve for the difference between the balance of the special reserve that has been appropriated upon first-time adoption of International Financial Reporting Standards (IFRS) and the net amount of other equity deduction items. Subsequently, when there is a reversal in the net amount of other equity deduction items, the reversed portion may be used to reverse the special reserve for distribution of earnings.

The company's earnings allocation and distribution plan and dividends per share for the year 2025, the first half of 2025 and the year 2024 are as follows:

	Profit Allocation and Distrbution	
	Fourth Quarter, 2025	Second Quarter, 2025
Board of directors proposal /resolution date	2026/3/12	2025/8/8
Legal reserve	$5,425	$2,786
Special reserve Mention	39,051	68,216
Common stock cash dividend	11,171	-
(Note)	16,756	-
Common stock share dividends	$0.2	$-
Dividends Per Share (NT$)	$0.3	$-

	Profit Allocation and Distrbution	
	Fourth Quarter, 2024	Second Quarter, 2024
Shareholders' meeting resolution date	2025/4/23	2025/4/23
Legal reserve	$4,461	$4,451
Special reserve (Reversal)	939	(4,664)
Common stock cash dividend (Note)	45,817	33,177
Dividends Per Share (NT$)	$0.87	$0.63

(Note): Pursuant to the Articles of Incorporation, the Board of Directors approved the cash dividend distributions for common shares through special resolutions on March 12, 2026, August 8, 2025, and March 13, 2025, the cash dividends on ordinary shares for 2025, the first half of 2025 and 2024, respectively.

Information regarding the estimation basis and recognized amount of employee and director remuneration can be found in Note 6.18.

14. Share-based Payment Plans

Company employees may receive share-based payments as part of their compensation plans; employees provide services in exchange for equity instruments, and these transactions are equity-settled share-based payment transactions.

Company Employee Share-based Payment Plan

On April 11, 2023, the Company received approval from the Securities and Futures Bureau of the Financial Supervisory Commission to issue 3,760 units of employee stock options. Each unit of stock option entitles the holder to subscribe to 1,000 shares of the Company's common stock, with an exercise price equal to the fair value of the Company's common stock at the grant date. Option holders can exercise their stock options according to a certain schedule and proportion after two years from the grant date. When employees exercise their stock options, new shares are issued.

Stock options are valued at fair value on the grant date using the Black-Scholes valuation model, with parameters and assumptions set in consideration of the terms and conditions of the contract.

Two years after the expiration of the employee stock option certificates granted to the stock option holders, they can exercise their stock options according to a certain schedule and proportion. The longest validity period of this stock option certificate is four years. Assuming that the average validity period of the self-executable stock option is three years, no cash settlement option is provided, and the Company has never had the practice of cash settlement in the past.

Information related to the above share-based payment plan is as follows:

Option Grant Date	Total Units Issued (Units)	Exercise Price Per Unit (NTD)
2023/4/17	3,760	$17.31

The plan is as follows:

	2025		2024	
	Outstanding quantity(units)	Weighted average exercise price (NT$) (Note)	Outstanding quantity(units)	Weighted average exercise price (NT$)(Note)
Outstanding options as of January 1	3,726	$17.31	3,760	$17.31
Options losed during the period			(34)	-
Options granted during the period	(3,192)	15.10	-	-
Outstanding options as of December 31	534	$15.10	3,726	$15.50
Options exercisable as of December 31	534	-	-	-

(Note):The exercise price shall be adjusted in accordance with the Company's employee stock option policy when there are changes in the Company's common stock (such as cash capital increase, profit capital increase, capital public capital increase, company merger, split, cash capital increase to participate in the issuance of overseas depositary receipts and merger or acquisition of other companies' shares to issue new shares, etc.).

The Company recognized the following expenses for employee share-based payment plans:

	2025	2024
Expenses arising from employee stock options	$1,248	$4,523

15. Operating Revenue

	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	$548,159	$576,605

Information regarding the Company's revenue from contracts with customers for the periods from

January 1 to December 31, 2025 and 2024 is as follows:

(1) Disaggregation of revenue

	2025	2024
Revenue from contracts with customers- Sales of goods	$548,159	$576,605

The Company's business is focused on the manufacture and sale of medical supplies, without any divisional divisions.

All of the Company's revenue from contracts with customers is recognized at a point in time.

(2) Contract balances

Contract liabilities - current

	2025/12/31	2024/12/31	2024/1/1
Sale of Goods	$-	$-	$34

The explanation for significant changes in contract liability balances for the Company in 2025 and 2024 is as follows:

	2025	2024
Beginning balance recognized as revenue this period	$-	$(34)
Current period increase in advance receipts (excluding those incurred and recognized as revenue this period)	-	-
Current period change	$-	$34

(3) Transaction price allocated to remaining performance obligations

None

(4) Assets recognized from the costs to obtain or fulfill a contract with a customer

None

16. Expected Credit Losses (Reversal)

	2025	2024
Operating expenses - Expected credit losses (reversal)		
Accounts receivable	$(90)	$87

For information related to credit risk, please refer to Note 12.

The Company measures the loss allowance for its receivables (including notes receivable, accounts receivable, and accounts receivable - related parties) at an amount equal to lifetime expected credit losses. The Company considers the credit ratings, regions, and industries of the counterparties to group them, and uses a provision matrix to measure the loss allowance. As of December 31, 2025 and December 31, 2024, the relevant information for assessing the amount of loss allowance is as follows:
December 31, 2025:

Group 1	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$34,542	$3	$-	$ -	$ -	$34,545
Loss rate	-%	67%	-%	-%	-%	
Lifetime expected credit losses	-	(2)	-	-	-	(2)
Carrying amount	$34,542	$1	$-	$ -	$ -	$34,543

Group 2	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$59,524	$33	$-	-	$ -	$59,557
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	
Carrying amount	$59,524	$33	$-	$ -	$ -	$59,557

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$1,125	$3	$ -	$ -	$ -	$1,128
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	
Carrying amount	$1,125	$3	$ -	$ -	$ -	$1,128

Note: All of the Company's notes receivable are not past due.

December 31, 2024:

Group 1	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$32,932	$-	$63	$-	$2	$32,997
Loss rate	-%	-%	70%	-%	100%	
Lifetime expected credit losses	-	-	(44)	-	(2)	(46)
Carrying amount	$32,932	$-	$19	$-	$-	$32,951

Group 2	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$67,673	$67	$54	$-	$-	$67,794
Loss rate	-%	37%	39%	-%	-%	
Lifetime expected credit losses	-	(25)	(21)	-	-	(46)
Carrying amount	$67,673	$42	$33	$-	$-	$67,748

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Gross carrying amount	$501	$-	$-	$-	$-	$501

Group 3	Not past due (Note)	Days past due				Total
		1-30 days	31-60 days	61-90 days	Over 91 days	
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Carrying amount	$501	$-	$-	$-	$-	$501

Note: All of the Company's notes receivable are not past due.

The changes in allowance for losses on notes receivable and accounts receivable of the Company from January 1 to December 31, 2025 and 2024 are as follows:

	Notes receivable	Accounts receivable	Total
2025/1/1	$-	$92	$92
Reversal for the period	-	(90)	(90)
2025/12/31	$-	$2	$2

	Notes receivable	Accounts receivable	Total
2024/1/1	$-	$75	$75
Current period addition amount	-	87	87
Written off due to irrecoverability	-	(70)	(70)
2024/12/31	$-	$92	$92

17. Leases

(1) The Company as lessee

The Company leases buildings and structures with lease terms ranging from 2 to 3 years.

The impact of leases on the Company's financial position, financial performance, and cash flows is described as follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

Carrying amount of right-of-use assets

	2025/12/31	2024/12/31
Buildings and structures	$2,932	$3,145

The Company's additions to right-of-use assets from January 1 to December 31, 2025 and from January 1 to December 31, 2024 were NT$2,822 thousand and NT$4,969 thousand, respectively.

(b) Lease liabilities

	2025/12/31	2024/12/31
Lease liabilities		
Current	$939	$2,862
Non-current	2,019	400
Total	$2,958	$3,262

For the Company's interest expenses on lease liabilities from January 1 to December 31, 2025 and 2024, please refer to Note 6, 19(4) Finance costs; for the maturity analysis of lease liabilities as of December 31, 2024, please refer to Note 12, 5 Liquidity risk management.

B. Amounts recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2025	2024
Buildings and structures	$2,878	$3,471

C. Income and expenses related to lessee's leasing activities

	2025	2024
Expenses relating to short-term leases	$36	$54

D. Cash outflows related to lessee's leasing activities

The total cash outflows for leases of the Company from January 1 to December 31, 2025 and 2024 were NT$2,990 thousand and NT$3,610 thousand, respectively.

18. The summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Nature	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expenses						
Salaries expense	$13,097	$44,510	$57,607	$13,682	$47,102	$60,784
Labor and health insurance expense	1,869	4,174	6,043	1,774	3,580	5,534
Pension expense	850	1,917	2,767	824	1,646	2,470
Directors' remuneration	-	3,517	3,517	-	4,530	4,530
Other personnel expenses	1,077	2,550	3,627	1,067	2,051	3,118
Depreciation expenses	9,632	4,206	13,838	9,740	4,596	14,336
Amortization expenses	24	366	390	25	280	305

As of December 31, 2025 and 2024, the Company had 84 and 79 employees, respectively, including 7 directors who were not concurrently serving as employees.

The Company has established an Audit Committee in place of supervisors in accordance with applicable regulations; therefore, no remuneration for supervisors has been recognized.

The Company's compensation policy provides that the remuneration of directors and key management personnel is periodically evaluated and reviewed by the Remuneration Committee. For employees, the Company conducts regular annual reviews of salary levels to ensure that compensation remains competitive in the market.

The Company's Articles of Incorporation stipulate that if the Company makes a profit in the year, 2%~10% shall be allocated as employee compensation and no more than 5% as directors' remuneration. Of the total amount of employee remuneration, not less than 20% shall be allocated for distribution to non-management (rank-and-file) employees. However, when accumulated losses exist, the amount for compensation should be reserved in advance. The aforementioned employee compensation can be distributed in the form of stock or cash and should be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and approval by a majority of the attending directors, and reported to the shareholders' meeting. For information regarding employee compensation and directors' remuneration approved by the Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

Based on the Company's profitability for 2025, employee compensation and directors' remuneration were accrued at NT$3,625 thousand and NT$2,275 thousand, respectively, and were recognized as salary expenses. On March 12, 2026, the Board of Directors resolved to distribute cash employee compensation and directors' remuneration for 2025 in the same amounts..

On March 13, 2025, the Board of Directors of the Company resolved to pay NT$5,504 thousand in cash for employee compensation and R NT$3,440 thousand in cash for director compensation in 2024. This amount is consistent with the amount recorded as an expense in the 2024 financial statements.

19. Non-operating Income and Expenses

(1) Interest income

	2025	2024
Financial assets measured at amortized cost	$1,293	$2,185

(2) Other income

	2025	2024
Other income – related parties	$26,698	$24,737
Dividend income(Note)	136	887
Other income – other	1,899	163
Total	$28,733	$25,787

Note: Dividend income is paid by the Company's investee companies on financial assets measured at fair value through other comprehensive income.

(3) Other gains and losses

	2025	2024
Net foreign exchange gain	$3,698	$4,824
Gain on disposal of property, plant and equipment	98	83
Lease modification gain	82	-
Non-financial assets impairment loss	-	(4,281)
Miscellaneous expenses	(8)	(57)
Total	$3,870	$569

(4) Finance costs

	2025	2024
Interest on bank loans	$6,727	$3,640
Interest on lease liabilities	67	80
Total	$6,794	$3,720

20. Components of other comprehensive income

(1) Components of other comprehensive income for the year 2025 are as follows:

	Current period occurrence	Current period reclassification adjustments	Other comprehensive income	Income tax expense	After-tax amount
ems that may be reclassified to profit or loss subsequently:					
Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	$2,468	$ -	$2,468	$ -	$2,468
Exchange differences on translation of foreign operations' financial statements	(41,519)	-	(41,519)	-	(41,519)
Total other comprehensive income	$(39,051)	$ -	$(39,051)	$ -	$(39,051)

(2) Components of other comprehensive income for the year 2024 are as follows:

	Current period occurrence	Current period reclassification adjustments	Other comprehensive income	Income tax benefit	After-tax amount
Items that may be reclassified to profit or loss subsequently:					
Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	$(4,043)	$ -	$(4,043)	$ -	$(4,043)
Exchange differences on translation of foreign operations' financial statements	$7,768	$-	$7,768	$-	$7,768
Total other comprehensive income	$3,725	$ -	$3,725	$ -	$3,725

21. Income tax

The main components of income tax expense for 2025 and 2024 are as follows:

Income tax recognized in profit or loss

	2025	2024
Current income tax expense:		
Current tax payable	$11,596	$11,744
Undistributed earnings are subject to profit-seeking enterprise income tax for the current year	247	-
Adjustments in respect of current income tax of prior periods	17	(343)
Deferred tax benefit:		

Deferred tax benefit relating to origination and reversal of temporary differences	2,645	3,792
Income tax expense	$14,505	$15,193

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable income tax rate is as follows:

	2025	2024
Net profit before tax from continuing operations	$68,752	$104,316
Tax calculated at domestic tax rates applicable to profits in the relevant countrie	$13,750	$20,863
Other income tax effects of other tax adjustments	517	(5,155)
Undistributed earnings are subject to additional income tax expense	247	
Adjustments in respect of current income tax of prior periods	17	(343)
Tax effect of non-deductible expenses	1	6
Tax effect of tax-exempt income	(27)	(178)
Total income tax expense recognized in profit or loss	$14,505	$15,193

Deferred Tax Assets Balance Related to the Following Items:

(A) January 1 to December 31, 2025

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary Differences				
Unrealized Exchange Gains and Losses	$(169)	$(428)	$ -	$(597)
Allowance for Inventory Devaluation Loss	1,290	(858)	-	432
Unrealized Unused Vacation Bonus	131	(56)	-	75
Depreciation Differences between Tax and Financial Reporting	2,433	(1,303)	-	1,130
Deferred Income Tax Expense		$(2,645)	$ -	
Net Deferred Tax Assets	$3,685			$1,040
Information Presented in the Balance Sheet is as Follows:				
Deferred Tax Assets	$3,854			$1,637
Deferred Tax Liabilities	$(169)			$(597)

(B) January 1 to December 31, 2024

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary Differences				
Unrealized Exchange Gains and Losses	$287	$(456)	$-	$(169)

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Allowance for Inventory Valuation Loss	4,327	(3,037)	-	1,290
Unrealized Unused Vacation Bonus	137	(6)	-	131
Depreciation Differences between Tax and Financial Reporting	2,726	(293)	-	2,433
Deferred Income Tax Expense		$(3,792)	$-	
Net Deferred Tax Assets	$7,477			$3,685
Information Presented in the Balance Sheet is as Follows:				
Deferred Tax Assets	$7,477			$3,854
Deferred Tax Liabilities	$-			$(169)

Unrecognized deferred tax liabilities related to investment subsidiaries:

The Company has not recognized any deferred income tax liabilities for income taxes that may arise from the repatriation of retained earnings of its foreign subsidiaries. The Company has determined that it will not distribute retained earnings of its foreign subsidiaries in the foreseeable future. As of December 31, 2025 and December 31, 2024, the amount of taxable temporary differences not recognized as deferred income tax liabilities was NT$ 23,306thousand and NT$23,416thousand, respectively.

Income Tax Examination Status

As of December 31, 2025, the Company's income tax return assessment status is as follows:

	Income Tax Examination Status
The Company	Examined year 2023

22. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares into ordinary shares.

	2025	2024
(1) Basic Earnings Per Share		
Profit attributable to ordinary shareholdersof the parent	$54,247	$89,123
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	54,464	49,220
Basic Earnings Per Share (NTD)	$1.00	$1.81
(2) Diluted Earnings Per Share		
Profit attributable to ordinary shareholdersof the parent	$54,247	$89,123
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	54,464	49,220
Dilutive Effect:		
Employee Compensation - Stock (thousand shares)	161	218

	2025	2024
Employee Stock Options (thousand shares)	2,715	1,723
Adjusted Weighted Average Number of Ordinary Shares after Dilutive Effect (thousand shares)	57,340	51,161
Diluted Earnings Per Share (NTD)	$0.95	$1.74

There were no other transactions that significantly changed the outstanding ordinary shares or potential ordinary shares at the end of the period after the reporting period and before the financial statements were authorized for issue.

VII. Related Party Transactions

Related parties who had transactions with the Company during the financial reporting period are as follows:

Names and Relationships of Related Parties

Name of Related Party	Relationship with the Company
Perfect Medical Industrial (VN) Co., Ltd.	Subsidiary of the Company
Perfect TW Medical Industrial (VN) Co., Ltd.	Subsidiary of the Company
Medifly Co., Ltd.	Other Related Partiy (Note 1)
Ying Ying Enterprise	Other Related Party
Kuo-Chi Hsu and 7 others	Key Management Personnel of the Company

Note 1: Medifly Co., Ltd. was a related party of the Group from May 25, 2023 to July 29, 2025.

Significant Transactions with Related Parties

1. Sales

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$64,645	$100,233
Medifly Co., Ltd.	22,686	38,654
Perfect TW Medical Industrial (VN) Co., Ltd.	1,246	
Ying Ying Enterprise	-	3
Others	14	70
Total	$88,591	$138,960

Except for transactions where there are no similar non-related party transactions available for reference and transaction terms are determined by mutual agreement, the Company's sales transactions with related parties do not have significant differences in transaction prices and collection terms compared to those with non-related parties.

2. Purchases

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$305,136	$315,127
Perfect TW Medical Industrial (VN) Co., Ltd.	78	-
Total	$305,214	$315,127

Except for transactions where there are no similar non-related party transactions available for reference and transaction terms are determined by mutual agreement, the Company's purchase

transactions with related parties do not have significant differences in transaction prices and payment terms compared to those with non-related parties.

3. Accounts receivable- Related Parties

	2025/12/31	2024/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$1,826	8,043
Perfect TW Medical Industrial (VN) Co., Ltd.	640	1,043
Medifly Co., Ltd.	-	$9,764
Total	$2,466	$18,850

4. Other Receivables- Related Parties

	2025/12/31	2024/12/31
Perfect TW Medical Industrial (VN) Co., Ltd.	$73,952	$ -
Perfect Medical Industrial (VN) Co., Ltd.	21,913	$22,344
Total	$95,865	$22,344

5. Advance Payment

	2025/12/31	2024/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$-	$287

6. Accounts Payable- Related Parties

	2025/12/31	2024/12/31
Perfect Medical Industrial (VN) Co., Ltd.	$37,282	$ -
Perfect TW Medical Industrial (VN) Co., Ltd.	1,218	-
Total	$38,500	$ -

7. Payments on Behalf of other

	2025/12/31	2024/12/31
Perfect TW Medical Industrial (VN) Co., Ltd.	$8,475	$ -
Perfect Medical Industrial (VN) Co., Ltd.	2,262	4,880
Total	$10,737	$4,880

8. Other income

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$20,709	$24,682
Perfect TW Medical Industrial (VN) Co., Ltd.	5,989	55
Total	$26,698	$24,737

9. Other Expense

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$3	$ -
Perfect TW Medical Industrial (VN) Co., Ltd.	1	17
Total	$4	$17

10. Miscellaneous purchases – manufacturing

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$217	$ -

11. Property Transactions

A. Details of machinery and equipment purchased from related parties in 2025 and 2024 are as follows:

	2025	2024
Perfect Medical Industrial (VN) Co., Ltd.	$4,329	$739

B. Details of machinery and equipment sold to related parties in 2025 and 2024 are as follows:

2025:

Related Party Name	Description	Selling Price	Book Value	Disposal Gain (Loss)
Perfect TW Medical Industrial (VN) Co., Ltd	Transportation equipment	$154	$56	$98

2024:

Related Party Name	Description	Selling Price	Book Value	Disposal Gain (Loss)
Perfect Medical Industrial (VN) Co., Ltd	Machinery and equipment	$416	$384	$32
Perfect TW Medical Industrial (VN) Co., Ltd	Transportation equipment	156	146	10
	Total	$572	$530	$42

12. Other

For the years ended December 31, 2025 and 2024, the Company made capital contributions in cash to its related party, Vietnam Taiwan Puhui Medical Technology Co., Ltd., in the amounts of NT$195,036 thousand and NT$96,105 thousand, respectively.

13. Compensation of Key Management Personnel

	2025	2024
Short-term Employee Benefits	$12,249	$15,116

The compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

VIII. Pledged Assets

The Company has the following assets pledged as collateral:

	Book Value	
Items	2025/12/31	2024/12/31
Investment Property－Land	$73,809	$73,809

Items	Book Value	
	2025/12/31	2024/12/31
Property, Plant and Equipment－Building	28,871	26,357
Property, Plant and Equipment－Land	10,795	10,795
Other Non-Current Assets－Restricted Assets	3,758	3,712
Total	$117,233	$114,673

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

The significant contracts entered into by the Group with machinery and equipment suppliers and the related payment status are as follows:

Suppliers	Contract amount	Amount paid	Amount payable
A Supplier	$50,118	$19,520	$30,598

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

On March 12, 2026, the Company's Board of Directors resolved to make a cash capital contribution of US$7,000 thousand to Vietnam Taiwan Puhui Medical Technology Co., Ltd. to support capital expenditures for plant expansion and to strengthen working capital.

On March 12, 2026, the Board of Directors also resolved to make a cash capital contribution of US$1,500 thousand to Vietnam Puhui Medical Technology Co., Ltd. to support capital expenditures for equipment replacement and to strengthen working capital.

On March 12, 2026, the Board of Directors further resolved to issue 6,000 thousand new ordinary shares through a cash capital increase to repay bank borrowings. Of these, 900 thousand shares were reserved for subscription by employees. The shares are proposed to be issued at a premium with a tentative issue price of NT$20 per share.

In consideration of future business development, on March 12, 2026, the Board of Directors also resolved to capitalize retained earnings by issuing 1,676 thousand new ordinary shares at a par value of NT$10 per share.

XII. Others

1. Categories of Financial Instruments

Financial Assets

	2025/12/31	2024/12/31
Financial assets measured at fair value through other comprehensive income	$4,559	$2,091
Financial assets at amortized cost:		
Cash and Cash Equivalents (excluding cash on hand)	108,516	75,792
Notes and Accounts Receivable (including related parties)	95,228	101,200
Other receivables (including related parties)	95,880	22,394
Restricted assets – Time Deposits	3,758	3,712
Desposit margin	9,989	11,777

Financial Liabilities

	2025/12/31	2024/12/31
Financial liabilities at amortized cost:		
Short-term loans	$129,880	$10,000
Short-term Bills Payable	30,000	-
Notes and Accounts Payable (including related parties)	48,302	10,309
Other payables	31,083	34,999
Lease Liabilities (including current and non-current)	2,958	3,262
Long-term Borrowings (including current portion)	184,254	170,792

2. Financial Risk Management Objectives and Policies

The Company's financial risk management objectives primarily focus on managing market risk, credit risk, and liquidity risk related to operating activities. The Company identifies, measures, and manages these risks according to its policies and risk preferences.

For the aforementioned financial risk management, the Company has established appropriate policies, procedures, and internal controls in accordance with relevant regulations. Significant financial activities must be reviewed by the Board of Directors and the Audit Committee according to relevant regulations and internal control systems. During the execution of financial management activities, the Company must strictly comply with the established financial risk management regulations.

3. Market Risk

The Company's market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk mainly includes foreign exchange risk and interest rate risk.

In practice, it is rare for a single risk variable to change independently, and changes in risk variables are usually correlated. However, the sensitivity analysis for each risk below does not consider the interaction between related risk variables.

Foreign Exchange Risk

The Company's foreign exchange risk is mainly related to operating activities (when income or expenses are denominated in a currency different from the Company's functional currency) and net investments in foreign operations.

When foreign currency receivables and payables are denominated in the same currency, a natural hedging effect is created to a certain extent. This natural hedging of foreign exchange risk does not qualify for hedge accounting and therefore hedge accounting is not applied. In addition, net investments in foreign operations are strategic investments, and the Company does not hedge against them.

The Company's foreign exchange risk sensitivity analysis mainly focuses on the major foreign currency monetary items at the end of the financial reporting period and the impact of foreign currency appreciation/depreciation on the Company's profit and equity. The Company's foreign exchange risk is mainly affected by fluctuations in the USD exchange rate. The sensitivity analysis information is as follows:

		2025		2024	
Foreign Currency Monetary Items	Appreciation/ Depreciation Range	Impact on Profit	Impact on Equity	Impact on Profit	Impact on Equity
USD	1%	$994	$-	$204	$-

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly comes from fixed-rate and floating-rate borrowings.

The sensitivity analysis for interest rate risk mainly focuses on interest rate exposure items at the end of the financial reporting period, including floating-rate borrowings, and assumes they are held for one accounting year. When interest rates rise/fall by ten basis points, the Company's profit for 2025 and 2024 would decrease/increase by NT$284 thousand and NT$181 thousand, respectively.

4. Credit Risk Management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss. The Company's credit risk is primarily attributable to operating activities (mainly accounts receivable and notes) and financing activities (mainly bank deposits and various financial instruments).

Each unit of the Company follows credit risk policies, procedures, and controls to manage credit risk. Credit risk assessment for all counterparties comprehensively considers the counterparty's financial condition, credit rating agency ratings, historical transaction experience, current economic environment, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payments and insurance) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2025, and December 31, 2024, accounts receivable from the top ten customers accounted for 30% and 34% of the Company's accounts receivable balance, respectively. The credit concentration risk of the remaining accounts receivable is relatively insignificant.

The Company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with company policies. Since the Company's counterparties are determined by internal control procedures and are creditworthy banks and financial institutions, companies, and government agencies with investment grades, there is no significant credit risk.

5. Liquidity Risk Management

The Company maintains financial flexibility through contracts such as cash and cash equivalents and bank borrowings. The following table summarizes the maturity of the Company's financial liabilities based on contractual payments, compiled based on the earliest possible date when repayment may be required and including undiscounted cash flows. The amounts listed also include agreed interest. Cash flows for interest paid at floating rates, the undiscounted interest amounts are derived from the yield curve at the end of the reporting period.

Non-derivative Financial Liabilities

	Less Than One Year	Two to Three Years	Four to Five Years	Five Years or More	Total
2025/12/31					
Short-term loans	$132,599	$ -	$ -	$ -	$132,599
Short-term notes Payable	30,000	-	-	-	30,000
Notes Payable	729	-	-	-	729
Accounts Payable	9,073	-	-	-	9,073
Other payables	31,083	-	-	-	31,083
Long-term Loans	55,281	119,270	16,403	-	190,954
Lease liabilities	994	1,195	910	-	3,099

	Less Than One Year	Two to Three Years	Four to Five Years	Five Years or More	Total
2024/12/31					
Short-term loans	$10,004	$-	$-	$-	$10,004
Notes Payable	714	-	-	-	714
Accounts Payable	9,595	-	-	-	9,595
Other payables	34,999	-	-	-	34,999
Long-term Loans	50,695	88,491	38,595	-	177,781
Lease liabilities	2,897	400	-	-	3,297

6.Reconciliation of Liabilities Arising from Financing Activities

Liability Reconciliation Information for 2025:

	Short-term loans	Long-term Loans (Including Current Portion)	Short-term Bills Payable	Lease liabilities	Total Liabilities from Financing Activities
2025/1/1	$10,000	$170,792	$ -	$3,262	$184,054
Cash Flows	119,880	13,462	30,000	(2,954)	160,388
Non-cash Changes	-	-	-	2,650	2,650
2025/12/31	$129,880	$184,254	$30,000	$2,958	$347,092

Liability Reconciliation Information for 2024:

	Short-term loans	Long-term Loans (Including Current Portion)	Short-term Bills Payable	Lease liabilities	Total Liabilities from Financing Activities
2024/1/1	$50,000	$116,491	$40,000	$2,042	$208,533
Cash Flows	(40,000)	54,301	(40,000)	(3,556)	(29,255)
Non-cash Changes	-	-	-	4,776	4,776
2024/12/31	$10,000	$170,792	$-	$3,262	$184,054

7. Fair Value of Financial Instruments

(1) Valuation Techniques and Assumptions Used in Fair Value Measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following methods and assumptions when measuring or disclosing the fair value of financial assets and financial liabilities:

A. The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are reasonable approximations of fair values, mainly due to the short maturity periods of these instruments.

B. For equity instruments not traded in active markets (for example, private placement of listed company stock, stock of publicly listed companies with no active market, and stock of private companies), the market approach is used to estimate fair value. This approach uses prices and other relevant information generated by market transactions involving identical or comparable equity instruments (such as lack of liquidity discount factors, price-earnings ratios of similar companies, price-to-book ratios of similar companies, and other inputs) to estimate fair value.

C. The fair value of bank loans and other non-current liabilities is determined by counterparty quotations or valuation techniques. The valuation techniques are based on discounted cash flow analysis. The assumptions on interest rates and discount rates are mainly based on information related to similar instruments (such as the OTC Markets Reference Yield Curve, Reuters Average Commercial Paper Rate Quotation and credit risk information).

(2) Fair Value of Financial Instruments Measured at Amortized Cost

The carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Information on Fair Value Hierarchy of Financial Instruments

Please refer to Note 12.9 for information on the fair value hierarchy of the Company's financial instruments.

8. Derivatives

As of December 31, 2025, and December 31, 2024, the Company did not hold any unexpired derivatives that did not qualify for hedge accounting.

9. Fair Value Hierarchy

(1) Definition of Fair Value Hierarchy

All assets and liabilities measured or disclosed at fair value are classified into their respective fair value hierarchies based on the lowest level input that is significant to the entire fair value measurement. The levels of inputs are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, but excluding quoted prices included in Level 1.

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities recognized in the financial statements on a recurring basis, their classification is reassessed at the end of each reporting period to determine whether transfers have occurred between levels of the fair value hierarchy.

(2) Definition of Fair Value Hierarchy

The Company does not have non-recurring assets measured at fair value. Information on the fair value hierarchy of recurring assets and liabilities is presented as follows:

December 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Fair Value through Other Comprehensive Income				
Equity instruments measured at fair value through other comprehensive income - Stocks	$ -	$ -	$4,559	$4,559

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Fair Value through Other Comprehensive Income				
Equity instruments measured at fair value through other comprehensive income - Stocks	$-	$-	$2,091	$2,091

Transfers between Level 1 and Level 2 of the Fair Value Hierarchy

During 2025 and 2024, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the Company's recurring fair value measurements of assets and liabilities.

Movements of Level 3 Recurring Fair Value Hierarchy

The reconciliation from the beginning balance to the ending balance for assets and liabilities measured at fair value on a recurring basis that are categorized within Level 3 of the fair value hierarchy is presented below:

	Assets	
	Fair Value through Other Comprehensive Income	
	Stocks	
	2025	2024
Beginning Balance	$2,091	$6,134
Total gains (losses) recognized:		
Recognized in other comprehensive income (loss) (reported as "Unrealized valuation gains and losses from investments in equity instruments measured at fair value through other comprehensive income")	2,468	(4,043)
Ending Balance	$4,559	$2,091

Information on Significant Unobservable Inputs for Level 3 Fair Value Measurements

The significant unobservable inputs used in Level 3 recurring fair value measurements of the Company's assets are shown in the following table:

December 31, 2025:

	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Inputs and Fair Value
Financial Assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market Approach	Discount for Lack of Marketability	40%	The higher the degree of lack of marketability, the lower the estimated fair value	When the percentage of lack of marketability increases (decreases) by 10%, the Company's equity will decrease/increase by NT$456 thousand

December 31, 2024:

	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Inputs and Fair Value
Financial Assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market Approach	Discount for Lack of Marketability	40%	The higher the degree of lack of marketability, the lower the estimated fair value	When the percentage of lack of marketability increases (decreases) by 10%, the Company's equity will decrease/increase by NT$209 thousand

Fair Value Measurement Process for Level 3

The Company's finance department is responsible for conducting fair value verification, using independent source data to ensure the valuation results closely reflect market conditions, confirming that data sources are independent, reliable, consistent with other resources, and represent executable prices. The department analyzes changes in the value of assets and liabilities that require remeasurement or reassessment according to the company's accounting policies on each reporting date to ensure the valuation results are reasonable.

(3) Information on Hierarchy Levels for Items Not Measured at Fair Value but for Which Fair Value Disclosure is Required

December 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets for which fair value is only disclosed:				
Investment Property (see Note7)	$-	$-	$108,864	$108,864

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets for which fair value is only disclosed:				
Investment Property (see Note 7)	$-	$-	$104,328	$104,328

10. Information on Foreign Currency Financial Assets and Liabilities with Significant Impact

The Company's information on foreign currency financial assets and liabilities with significant impact is as follows:

Amount unit: thousand

	2025/12/31			2024/12/31		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
Financial Assets						
Monetary Items:						
USD	$4,386	31.43	$137,852	$621	32.79	$20,363
Financial Liabilities						
Monetary Items:						
USD	$1,223	31.43	$38,439	$-	32.79	$-

The above information is disclosed on the basis of carrying amounts (converted to functional currency).
As the Company has a variety of functional currencies, it is not possible to disclose information on foreign exchange gains and losses on monetary financial assets and financial liabilities in each of the foreign currencies that have a significant impact. The Company's net foreign exchange gains from January 1 to December 31, 2025 and 2024 were NT$3,698 thousand and NT$4,824 thousand respectively.

11. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy credit rating and good capital ratios to support its business operations and maximize shareholder value. The Company manages and adjusts its capital structure according to economic conditions, and may adjust dividend payments, return capital, or issue new shares to maintain and adjust its capital structure.

XIII. Notes Disclosure

1. Information on Significant Transactions

(1) Loans to Others: Serial No.	Lending Company	Borrower	Item	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Amount Drawn	Interest Rate Range	Nature of Loan	Business Transaction Amount	Reason for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Individual Lending Limit (Note 2)	Total Lending Limit (Note 2)
													Name	Value		
0	Perfect Medical Industry Co., Ltd.	Perfect Medical Industrial (VN) Co., Ltd.	Other Account Receivable	Yes	$33,210	$31,430	$-	-	Business Transaction	$75,289	-	$-	None	$-	$75,289	$493,849

Note 1: Explanation of Serial Numbers
1. The Company is designated as 0.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to company.

Note 2: Calculation of limits according to PUWELL Medical Co., Ltd.'s procedures for lending funds to others:
1. Individual Lending Limits:
(1) For entities with business transactions: Not to exceed 10% of the Company's net worth and not to exceed the amount of business transactions between the two parties in the most recent year.
(2) For entities with short-term financing needs: Not to exceed 10% of the Company's net worth.
(3) For foreign companies where the parent company directly and indirectly holds 100% of the voting shares, the restrictions in (1) and (2) above do not apply; however, the amount shall not exceed 40% of the lending company's net worth.
2. Total Lending Limits:
(1) For entities with business transactions: Not to exceed 60% of the Company's net worth.
(2) For entities with short-term financing needs: Not to exceed 40% of the Company's net worth.

Note 3: Both the maximum balance for the period and the ending balance are the lending limits approved by the Board of Directors.

(2) Endorsements/Guarantees for Others: None.

(3) Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Holding company	Type and name of securities	Relationship with the issuer of securities (Note 1)	Account classification	End of period				Remarks
				Number of shares (thousand shares)	Carrying amount	Ownership Percentage	Fair value	
Perfect Medical Industry Co., Ltd.	FINETECH RESEARCH AND INNOVATION CORPORATION	-	Financial assets at fair value through other comprehensive income - non-current	1,148	$4,559	9.87%	$4,559	-

Note 1: This column can be left blank if the issuer of the securities is not a related party.

(4) Purchases from or sales to related parties reaching NT$100 million or 20% of paid-in capital or more:

Purchasing (selling) company	Transaction counterparty	Relationship	Transaction details				Differences in transaction terms compared to general transactions and reasons		Notes and accounts receivable (payable)		Remarks
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price (Note 1)	Credit period (Note 1)	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Perfect Medical Industrial (VN) Co., Ltd.	Subsidiary	Purchases	$305,136	85.20%	Due within 35 days after the end of month	-	-	$37,282	77.18%	

Note 1: The Company's purchase transactions with related parties do not have significant differences in transaction prices and payment terms compared to those with non-related parties.

(5) Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

2. Information on investee companies:

Information on investee companies including name, location, main business items, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss (excluding investee companies in Mainland China):

Name of investing company	Name of Investee	Location	Main business items	Original investment amount		Shareholding at the end of period			Profit (loss) of investee for the period	Investment gain (loss) recognized by the Company (Note 1)	Remarks
				Current period end	Last year end	Number of shares	Percentage	Carrying amount			
Perfect Medical Industry Co., Ltd.	Perfect TW Medical Industrial (VN) Co., Ltd.	Vietnam	Manufacture, processing, and trading of medical devices	$493,165	$298,129	-	100%	$436,100	$(13,988)	$(13,942)	Subsidiary
Perfect Medical Industry Co., Ltd.	Perfect Medical Industrial (VN) Co., Ltd.	Vietnam	Manufacture, processing, and trading of medical devices	$219,911	$219,911	-	100%	$295,582	11,928	13,787	Subsidiary
Perfect Medical Industry Co., Ltd.	Medi-Life Co., Ltd. (Note 2)	Taiwan	Wholesale and retail trading of medical consumables	$1,000	$1,000	-	100%	$601	(63)	(63)	Subsidiary

Note 1: The recognized investment gain (loss) has taken into account the effect of unrealized sales gains between associates.

3. Information on investments in Mainland China:

(1) Significant transactions occurring directly or indirectly through a third region with investee companies in Mainland China: None.

(2) Significant transactions with Mainland China investee companies and related information on prices, payment terms, etc.: None.

XIV. Department Information

1. General Information

The Company operates in a single industry and the Company's management evaluates performance and allocates resources holistically, identifying the Company as a single reportable segment.

2. Department Information

The Company's business is concentrated on the manufacture and sale of medical supplies, without any industrial division.